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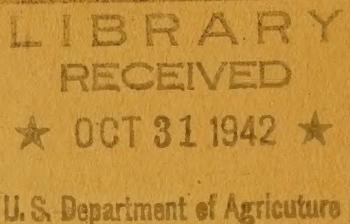
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UNITED STATES DEPARTMENT OF AGRICULTURE  
U.S. Farm Security Administration

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TWENTY-THREE "GROUP SERVICES" IN KENTUCKY

THEIR RECORD IN 1941

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This paper presents some of the findings of a study of Farm Security Administration "Community and Cooperative Services" in Taylor County, Kentucky. The study was made by Waller Wynne, Jr., of the Division of Farm Population and Rural Welfare, Bureau of Agricultural Economics. Its purpose was to determine factors that contribute to the success and failure of group services.

For the convenience of supervisors in studying this report, footnotes call attention to related sections of the FSA Supervisors' Guide for Community and Cooperative Services.

By operating 23 machinery and sire services together during 1941, groups of Farm Security borrowers in Taylor County, Kentucky, farmed better, made more money, kept up repayments on their group-service loans. But their cooperative activities had little effect in spurring further participation in community affairs.

The services included nine purebred bulls, six grain drills, four mowing machines, a grain binder, a hay baler, a hay rake, a corn planter, a cultipacker and a boar. How did these services succeed economically and why did they fail to encourage other group activities?

At least five conditions may be taken as criteria for measuring the success of a group service.

1. It must earn enough money to meet its loan repayments.
2. It must enable the participants to increase their incomes.
3. It must enable the participants to improve their farm practices.
4. It must stimulate social relations among the members, encouraging them to get together for recreation as well as work, to discuss

common problems, and to extend their group technique into every field where their wants can be filled on a more economical yet practical basis cooperatively than individually.

5. It must use its facilities at optimum capacity and serve an optimum number of low-income farmers.

Data were not available to measure the success of the Taylor County services in respect to the fifth Criteria. This would call for a detailed farm management study to decide the fullest use possible from each machine, each sire. But results for the first four criteria were plain.

All but three of the 23 services met Criteria 1: Enough income to take care of loan repayments. Twenty services earned net income sufficient to meet their obligations as they fell due, and a few earned more than enough, although not all used their respective facilities to the extent contemplated under the original organizational plans.

A favorable condition also was found under Criteria 2. The Taylor County services did enable their participants to make more money. Of the participants interviewed, some reported additional cash incomes as a result of the services, others reported income in the form of more home-produced feedstuff for livestock. One farmer said the grain drill service helped him increase his cash income \$100, and another placed his additional cash at \$50 as a result of using a group-owned mowing machine. Still another said he got better prices for his calves from cows bred by a purebred bull. Another saved money by growing his own hay for livestock, hay that he would have had to buy had it not been for the group-operated mowing machine.

The services helped participants to improve their farming methods-- Criteria 3--in several ways. The grain drills, for instance, made it possible to plant larger acreages in cover crops. Before grain drills became available through Farm Security's community and cooperative services program, most of these farmers sowed their grain by hand. A few rented drills from neighbors, drills that were far from efficient. The new tools not only increased the cover crop acreage, but also resulted in a better job of planting, with better yields. And the drills and other machinery facilities enabled the farmers to plant and harvest their crops at the time such operations should be carried on.

By sharing the cost, members of sire services found they could use purebred bulls and get away from the use of scrub sires. Profits to be realized from breeding cows to purebred males through better prices for calves already had been demonstrated by Taylor County purebred beef-type sire services. Although dairy bull services had not existed long enough to show results, members expected higher producing cows from heifer calves that were fathered by the purebreds.

On the first three criteria, which are essentially economic, the services made a good record. On the fourth Criteria, they failed. Participation of farmers in the Taylor County group services has not increased their participation in community activities, either formal or informal; it has not fostered new group activities, nor has it strengthened the sense of group solidarity already present. Although members of various groups got together occasionally to cut firewood, shuck corn, or build a barn, this type of informal cooperation has been an established characteristic of rural people since pioneer days, except where interfered with by social barriers and class distinctions. Thus, instead of introducing a new principle of common action Taylor County group services merely served to extend one already well known. Therefore, it follows that group services cannot be expected to influence social participation unless the members make a conscious effort to organize education, recreation and community activities. 1/

#### MEMBERSHIP AND PARTICIPATION

Only eight of the 23 group services used their facilities to the full extent of participation agreements. While 15 fell short of their goals, the difference between the number of acreage-units or hour-units or sire-service-units signed for and the number used was not great except in a few instances. Some groups fell short of their agreements merely because they had been in operation only part of the year—not long enough to attain their goals.

Although it has not been determined whether Taylor County services benefited the maximum number of users, the survey shows they did reach a relatively large number. The services were not used as fully as agreed upon—that is, the number of acreage-units or hour-units or sire-service-units used was not as great as the number signed for—but they did serve more farmers than the number who signed participation agreements. While only about 50 of the 100 FSA borrowers who signed agreements actually participated in the services, the group services were used by 100 other low-income farmers who did not sign participation agreements. 2/ Therefore, more than 150 FSA borrowers and other low-income farmers in the county used one or more services. Service to "other" low-income farmers as well as to FSA borrowers was one of the important contributions of the community and cooperative program in Taylor County.

1/ See Supervisors' Guide for C&CS, page 9, paragraph headed "Borrowers Use C&CS to Build Their Social Rehabilitation." The idea that rehabilitation depends on pooling of human as well as material resources is further developed in Chapter X, "How Borrowers Gain Use of Community Resources Through C&CS," especially the section on overcoming social isolation (page 65).

2/ See Supervisors' Guide for C&CS, Chapter III; especially discussion on co-op principle of open membership, page 27; also page 59, section on "Development of Membership Participation."

The average number of members signing up for each group service was 8.4, the range being from 3 to 21. Master-borrower services (of which there were 16) averaged 10.2 members and joint-ownership services (of which there were 7) averaged 4.6. The difference is explained by the fact that a larger proportion of the master-borrower services were for sires, and an average of 12 members signed up for each sire service, compared with 6.5 members in the equipment groups. As to actual participation, sires averaged 14.9, and machinery groups 8.3. One sire service had 21 users.

Of the 151 participating farmers, 119 used only one service. Twenty-six used two services and eight used three or four. The total membership of the groups, including duplicate memberships of those who belonged to more than one service, was 195.

#### FACTORS CONTRIBUTING TO SUCCESS

A very real need for the facilities was one of the most important factors contributing to success of the groups. Low-income farmers did not own facilities of the type established by FSA, and they could not, in most instances, rent or borrow them. The few pieces of equipment they could rent or borrow generally were inefficient. Loans were justified on a basis of need, and a sound economic justification is the first prerequisite for a good group service.

In establishing group services the supervisor and members had observed the existing informal neighborhood patterns of social interaction, and this was a second factor in their success. Members were drawn from among farmers whose habits of association were well fixed. Those who signed to use a given facility knew each other more or less intimately prior to the time they signed. They had visited back and forth in each others' homes. And they not only visited together but also worked together. By utilizing such existing patterns of human relationship as these, their group services were set up on a sound organizational basis.

The habit of working together itself contributed to the success of the services because the type of mutual aid or cooperation involved in group services follows the same pattern. Instead of being something new, mutual assistance has long expressed itself in the exchange of labor between individuals. The fact that mutual assistance as exemplified by group services was not new, but was, on the contrary, a common experience in the daily routine of the farmers' lives, explains in no small measure why the Taylor County group services hold together and functioned well.

Selection of capable managers (all of whom were FSA borrowers) was important. 3/ True, several managers fell down on their jobs, but circumstances beyond their control explain why they did. Two of the managers were ill. This suggests that health is an important requirement, as well as technical skill in operating machinery or handling a bull, ability to keep records, possession of shelter for the service--health and other

3/ Supervisors' Guide for C&CS, page 58, has section on "Training

qualities which will enable him to conduct the co-op business with vigor, to get out and mingle with his neighbors and promote the service they own together. Virtually all the managers were farm owners, men who already had demonstrated managerial ability. One measure of a manager's competence is his ability to get the cooperation of others. However ably he operates the facility itself, he must fulfill this condition. An important reason why managers of the Taylor County services were able to do so was that in every instance all the participants knew each other and were accustomed to working together for the welfare of each.

#### OBSTACLES TO SUCCESS

Factors beyond the managers' control prevented several group services from being more successful than they were. Drought curtailed the operation of a few facilities. The hay baler met with unexpected competition as well as a short hay crop. Two grain drills were handicapped by their managers' illness. There was evidence that some farmers signed participation agreements merely to help a neighbor obtain a facility, not really expecting to use it. Some groups had difficulty in acquiring their facilities, with the result, especially in the case of sires, that when they were acquired some farmers were no longer in need of them, at least at the time.

#### ROLE OF OTHER FACTORS

Supervision. The FSA supervisor confined his supervision to inspecting the facilities to safeguard the mortgages held by FSA. While there was no supervision of the operation, there was close and careful attention to selecting a capable manager, and in this respect supervision played a vital role.

Method of Organizing. Sixteen of the 23 services were organized by what might be called an individual approach. The FSA supervisor, knowing the county so thoroughly and aware of neighborhoods where farming services were needed, presented the idea of group facilities to individuals whom he thought would make acceptable master-borrowers or joint-owners. Then prospective members were sought. Usually the individual selected as master-borrower interested his neighbors. In some instances, the supervisor helped him interest FSA borrowers whom he felt would benefit from participation in the service.

Seven services were organized through a group approach. The supervisor called together the farmers to discuss the matter of a group service and to decide whether they wanted one. In two instances, two meetings preceded organization, and in one instance three meetings. Four services were organized at the initial meeting. 4/

4/ Supervisors' Guide for C&CS, Chapter II, "How to Approach C&CS Through Action Study Groups," especially page 19; and Chapter V, "How Borrowers Organize a Community Service."

Periodic Meetings. None of the groups held meetings to discuss the operation of their facilities, though several held meetings to discuss the possibility of acquiring an additional facility. 5/ Successful economic operation of small group services need not depend on formal organization. In fact, the informality that characterizes group services may be a factor contributing to their economic success. It is where the service is regarded as a training ground and stepping stone for further cooperative effort, that importance need be attached to either periodic meetings of the service itself, or else participation of its members in a separate but closely allied neighborhood action (study) group.

- 5/ The co-op principle of continuous education is explained on page 27 of the Supervisors' Guide for C&CS. Also see "How Supervision Develops Membership Participation", page 60.

September 16, 1942